

ABSTRACT OF THE DISCLOSURE

The quantization step size is set on the basis of features of image and the average bit rate is adjusted for the variable bit rate coding. In more specifically, the quantization step size is set such as to hold a constant coded image quality level over a plurality of groups of pictures. The quantization step size is adjusted from the excess or shortage of the actual generated bit count with respect to the average bit rate with reference to the quantization step size that has been set as above.